

## "A Record---Not a Prospectus"

One of the commercial agencies issues every year a pamphlet entitled, "A Record---not a Prospectus," in which it gives the business situation during the year. The title of this little pamphlet is appropriated at this time because it is a fitting description of the session of the legislature which has just closed. This legislature was democratic---the first democratic legislature in the history of the state of Nebraska. The democrats and populists together have controlled some of the previous sessions of the legislature, but, for the first time, Nebraska has a democratic governor, a democratic state senate and a democratic house of representatives, and the democrats of Nebraska are proud of the record which has been made.

First, the house of representatives adopted a plan by which the committees were selected by caucus rather than by the speaker. This was in harmony with the plank of the democratic national platform which denounced Cannonism. The democrats of the national house of representatives are on record as protesting against the present method whereby the speaker becomes a despot and obtains control of legislation by his appointment of the committees. Nebraska has commenced a reform which ought to spread throughout the country and revolutionize parliamentary methods at Washington.

Second, House Roll No. 1 embodied the Oregon plan for the election of senators by direct vote of the people. It passed the house and senate by practically a party vote and was signed by the governor. It inaugurated reform number two---and an important reform it is. Hereafter candidates for the legislature will have an opportunity to promise to support the senatorial candidate receiving the largest number of votes in the state, and they will find it to their advantage to sign such a pledge. This will give to the people of Nebraska the opportunity they have long coveted to secure the popular election of United States senators. If the legislature had done nothing else, this measure alone would have justified the session and been full compensation for the cost of the session. Mr. Bryan began nearly twenty years ago to advocate the popular election of senators, and he is glad to record this step which Nebraska has taken toward more responsive government.

The third reform was the enactment of the measure providing for the guaranty of bank deposits. This reform was promised in the democratic national platform and endorsed in the state platform. In passing the bill the legislature has kept faith with the people and one can not read the bill without recognizing that it not only creates a guaranty fund, but provides for the best system of regulation to be found in the United States. Among the meritorious features of the bill, so far as regulation is concerned, are two which are practically new. First, a relation is established between the capital and surplus, on the one hand, and the loans on the other. No bank is allowed to loan more than eight times its capital and surplus. This provision will prevent the accumulation of enormous deposits upon a narrow basis of capital and surplus. Oklahoma put such a provision in her banking law a year ago, and it will doubtless be adopted by other states. The second provision makes it a criminal offense for a bank official to violate the law in regard to the amount to be loaned to one person, firm or corporation. The national banking law prohibits the loaning of more than one-tenth, but there is no penalty except the suspension of the bank, and this is seldom invoked, and, when invoked, throws the punishment upon the community and the stockholders. The Nebraska law puts the penalty upon the official who violates the law, and he is the one who should pay the penalty.

The Nebraska law collects a fund of one per cent on the total deposits, the fund to be raised by semi-annual assessment of a quarter of one per cent. After that, the fund is replenished by a semi-annual tax of one-tenth of one per cent with provision for an emergency assessment at any time, not to exceed one per cent in any year. While the fund thus raised is not large compared with the total deposits, and while the maximum emergency assessment is very conservative, still the security given to the depositor is absolute, and it is just as well to give this security in such a way as not to create

unnecessary fear among the stockholders of the banks.

The essence of a guaranty law is that ALL OF THE BANKS SHALL STAND BACK OF EACH BANK, and this is the system inaugurated in Nebraska. It is only in extraordinary cases that the emergency assessment will be resorted to, and the cases will be still more rare when more than one per cent will be necessary. Even in such an emergency, should it arise, the depositor will not lose his money but will simply suffer a delay in payment, but as his claim will draw interest, he will not suffer any actual loss. In the inauguration of this system for the protection of depositors, Nebraska has taken a long step in advance and the democracy of the state may well point to this law as a justification of the confidence reposed in the party at the last election. Mr. Bryan introduced in congress, more than fifteen years ago, a measure substantially like the one which has just been adopted by the legislature, and the readers of The Commoner will pardon him if he expresses great gratification at the final adoption in Nebraska of this far-reaching reform.

The fourth reform measure adopted by the Nebraska legislature is embodied in a law which compels the publication of campaign contributions before the election. This measure carries out the plank of the last national democratic platform on this subject and crystallizes into statute the growing sentiment in favor of honest politics. It need scarcely be added that Mr. Bryan is pleased to see the democratic legislature of his home state fulfill this platform pledge and leading the way to purer politics.

In providing for the popular election of senators, Nebraska is second to Oregon; in providing for the guaranty of banks, Nebraska is second to Oklahoma; in the matter of publicity, so far as information has reached this office, Nebraska takes the lead, as she does in rejecting the offer of Mr. Carnegie to pension university professors with the proceeds of steel trust bonds.

Nebraska also takes her place in the front rank in regard to the teaching of the duties of citizenship. The regents of the state university are commended for the emphasis they have placed upon the courses that deal with the science of government, political economy and sociology and a school of citizenship is recommended.

Other notable measures of general interest and carrying with them important reforms were passed by the Nebraska legislature. A list of these measures is printed in this issue for the benefit of Commoner readers.

### NEVADA GETS THE MULE

Esmeralda county, Nevada, made, in the 1908 election, a gain of 694 per cent, and Esmeralda county therefore gains the mule.

Belmont county, Ohio, enters a claim, but its gain was less than 100 per cent over 1904, and the average for the three preceding campaigns will cut this down still more.

Bridgeport, Belmont County, Ohio.---Editor Commoner: I see that Esmeralda county, Nevada, claims the mule. I do not know the percentage of the gain in Belmont county in the last three elections, but we made a very large gain over 1904; the following figures will show: Precinct, 1904, Roosevelt 182; precinct, 1904, Parker 120; precinct, 1908, Taft 180; precinct, 1908, Bryan 216, making a gain in our precinct of 98 votes. Belmont county, 1904, Roosevelt 8,169; 1904, Parker 4,803; Roosevelt's plurality, 3,366. 1908, Taft 8,154; Bryan 7,831; Taft's plurality 323. Net gain 3,043. Bridgeport went democratic in the last election, three precincts of four giving a majority to Mr. Bryan. I understand this is the first time it has gone democratic in fifty years in a presidential election. I think the reason we made such a gain was this: There are a great many coal miners in this county and during a strike of the miners several years ago, I think it was in 1895, Judge Taft issued an injunction against the miners and sent some of them to jail for contempt of court, refusing to give them a trial by jury when requested to do so by their counsel. Now as to the future, I think the best plan

would be, besides getting up permanent clubs, let every reader of The Commoner get at least five new subscribers which should be very easy at the reduced club rate, and the more republican subscribers the better; the great trouble is that the voters do not think enough, especially the working class; they go along and vote for the same old party and never stop to think which party offers them the best inducements.

Very truly yours,  
J. A. MORRIS.

### DEMOCRATIC CHEER

From all sections of the country Champ Clark, the democratic leader in the house, is receiving words of cheer. The Public, Louis F. Post's paper, says:

"Champ Clark's leadership in this democratic emergency gives great promise for the future. Nothing could be more encouraging, for instance, than the virtual reading out of the party of the members who at this juncture have taken orders from the corporations against the principles and declarations of their party and the action of its congressional caucus. If that policy had been adopted and faithfully pursued in the past, the democratic party would be in a better state of organization today. It might have been temporarily smaller but it would have been faithfully democratic. As it is, the corporations, controlling the major influences in the republican party, control also minor ones in the democratic party, and are thereby able, in spite of democratic opposition and as in the present instance, to maintain their own power, which depends in part upon their demoralizing the democracy. Because a minority in the democratic party obeys them---enough of a minority to offset the revolt of democratic republicans---the unthinking, inspired by the crooked, hold the whole democratic party responsible for corporation triumphs. By virtually expelling from the party the corporation democrats in congress, the democrats whom Champ Clark leads have set an example which is full of democratic cheer for the future of the democratic party."

### A "BUSINESS" ADMINISTRATION

It is the boast of republican leaders that their party may ever be depended upon to give the people "a business administration." Let Representative Tawney, republican, chairman of the house committee on appropriations, take the stand. In his review of the republican party's extravagance, which review was made public March 4, Mr. Tawney said:

"Appropriations for public expenditures are made upon estimates submitted by the executive departments of the government at the beginning of each session of congress. The aggregate amount of these estimates for appropriations during the past eight years, including the fiscal year 1910, equals the enormous sum of \$7,291,341,806.29. Upon these estimates congress has appropriated during that period the sum of \$7,007,839,183.46, being \$283,502,622.83 less than the amount estimated. The rapidity with which our national expenditures have been increasing during the period referred to is shown by the total appropriations for the fiscal year 1903, which were \$796,633,864.79, and the total appropriations at this session for the fiscal year 1910, \$1,044,014,298.23; the difference between the amount required for the public service eight years ago and the amount required now being \$247,380,433.44. The increase in national expenditures may be attributed to several causes, but the two primary causes leading to this result have been, first, popular and executive demands upon congress for appropriations from the federal treasury for the exercise of rights and functions belonging exclusively to the states, and, second, the abnormal and unnecessary war expenditures in time of peace."

### MR. TAFT'S CORPORATION SUPPORT

The press dispatches report the appointment of Lloyd W. Bowers as solicitor general of the United States. The press dispatches also report that Mr. Bowers was, up to the time of his appointment, general counsellor of the Chicago & Northwestern railroad. For sixteen years he has been at the head of the legal department of that railroad. This is another high official in the attorney general's office whose acquaintance with the railroad side of public questions has been so intimate as to suggest a bias against needed regulation.